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19 *Palm Wine Holdings, LLC; J Vineyards & Winery, LLC;*  
20 *RB Wine Associates, LLC*

21 TEETER-TOTTER, LLC,

22 Plaintiff,

23 vs.

24 PALM BAY INTERNATIONAL, INC.,  
25 PALM WINE HOLDINGS, LLC,  
26 J VINEYARDS & WINERY LLC, RB  
27 WINE ASSOCIATES, LLC

28 Defendants.

29 PALM WINE HOLDINGS, LLC,

30 Counterclaim Plaintiff,

31 vs.

32 TEETER-TOTTER, LLC,

33 Counterclaim Defendant.

34 CASE NO. 5:17-cv-06609-LHK

35 **JOINT CASE MANAGEMENT  
36 STATEMENT**

1 Pursuant to the Federal Rule of Civil Procedure 26(f), Civil Local Rule 16-9, and the  
 2 Standing Order for All Judges of the Northern District of California, Plaintiff Teeter-Totter, LLC  
 3 (“Plaintiff”) and Defendants Palm Bay International, Inc. (“Palm Bay”), Palm Wine  
 4 Holdings, LLC (“Palm Wine Holdings”), J Vineyards & Winery d/b/a Au Contraire (“Au  
 5 Contraire”), and RB Wine Associates, LLC (“RB Wine”) (collectively, “Defendants”) hereby  
 6 submit this Joint Case Management Statement.

7 **Jurisdiction and Service**

8 The parties agree that this Court has subject matter jurisdiction pursuant to 28 U.S.C. §  
 9 1338(a) and pendent jurisdiction over all related claims in accordance with 28 U.S.C. § 1338(b).  
 10 There are no existing issues regarding service, personal jurisdiction or venue, and no parties  
 11 remain to be served at this time.

12 **Facts**

13 **Plaintiff’s Statement.** Plaintiff is a wine company founded by Napa Valley winemaker  
 14 Benoit Touquette, a native of France, who has enjoyed much critical success, including  
 15 numerous wines receiving 100-point scores from world-renowned critics. As a result, his wine  
 16 has earned millions of dollars in consumer sales revenue. As early as October 25, 2013, Plaintiff  
 17 sold both red and white wine under the distinctive trademark and name, TEETER-TOTTER.

18 The Teeter-Totter wine label incorporates a drawing of a mouse and elephant on opposite  
 19 ends of a teeter-totter (the “Teeter-Totter Design Mark”). Plaintiff owns federal TM Reg. No.  
 20 4,557,117 for TEETER-TOTTER (Word) in Class 33, filed on April 11, 2013 as an ITU.  
 21 Plaintiff also owns CA TM Reg. No. 122,196 and federal TM Reg. No. 5,428,362, both for the  
 22 Teeter-Totter Design Mark. On August 31, 2017, the U.S. Copyright Office issued Plaintiff’s  
 23 U.S. Copyright Registration No. VA-0002096166 for the image embodied in the Teeter-Totter  
 24 Design Mark as a creative work of authorship pursuant to 17 U.S.C. § 408.

25 In 2014, Defendants hired Popcorn Design, LLC dba Prospect Brands to develop and  
 26 produce a new wine brand, bearing the French moniker “AU CONTRAIRE”. Popcorn Design  
 27 introduced Defendants to Lisa Hobro Design, a design firm specializing in the creation of wine  
 28 labels. Lisa Hobro Design created a label bearing a bird and elephant on opposite ends of a

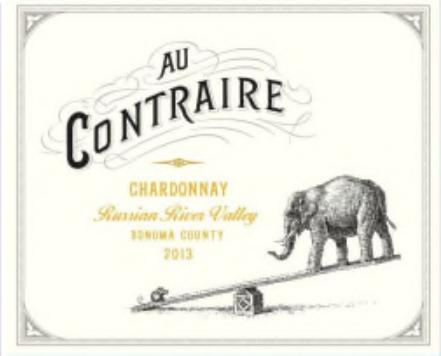
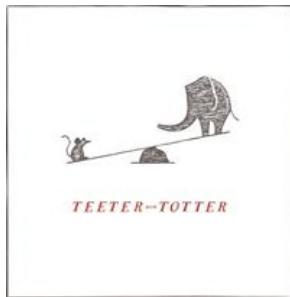
1 teeter-totter, in a configuration strikingly similar to the Teeter-Totter Design Mark. In early  
 2 January, 2014, Marc Taub, principal of Defendant Palm Bay International, Inc. instructed  
 3 Defendants' design team to *change the bird to a mouse*, thus more closely approximating  
 4 Plaintiff's Teeter-Totter Design Mark. Lisa Hobro Design made the change requested; the design  
 5 approved by Defendants in late January of 2014 had the mouse's tail hanging off the end of the  
 6 teeter-totter. The label design with a mouse and elephant on opposite ends of a teeter-totter was  
 7 submitted to the label printer, Collotype Labels, in or about late February or early March of  
 8 2014. The same label design was also submitted to the U.S. Dept. of Treasury, Alcohol and  
 9 Tobacco Tax and Trade Bureau ("TTB"), in an application for a Certificate of Label Approval  
 10 ("COLA"), which is required for alcoholic beverages.

11 On March 5, 2014, at approximately 4:14 pm PST, Lisa Hobro received an email from  
 12 Collotype with Plaintiff's label proof bearing the Teeter-Totter Design Mark, and promptly  
 13 notified Defendants and Popcorn Design, LLC. Jay Behmke, then a member and manager of  
 14 Popcorn Design, LLC, and a California lawyer, conducted an investigation confirming:  
 15 Plaintiff's pending "TEETER-TOTTER" standard character mark federal trademark application,  
 16 and its approved TTB COLA bearing the Teeter-Totter Design Mark. Defendants were provided  
 17 the results of Mr. Behmke's investigation. Without apparent further inquiry, Defendants filed  
 18 with the USPTO their Application, Ser. No. 86/213,179 for the Au Contraire Design, at 11:59  
 19 am PST *the very next day*, March 6, 2014 – that is, less than 18 hours after Lisa Hobro Design  
 20 had received Plaintiff's label proof.

21 Although Defendants' "final" label had already been submitted to Collotype for printing,  
 22 Mr. Taub subsequently **drew a curlicue tail on top of the tail in Plaintiff's label proof** and  
 23 instructed that this **additional design change** be made to Defendants' mouse. This change also  
 24 caused the Au Contraire label to more closely approximate Plaintiff's Teeter-Totter Design.

25 Due to the timing of these events, the final Au Contraire Design Mark used in commerce  
 26 appears to be quite different from the mark drawing in Registration No. 4,757,065. The figure  
 27 below is a side-by-side comparison (from left-to-right) of: (1) Plaintiff's Teeter Totter Design  
 28 Mark (Reg. No. 5,428,362); (2) Defendants' prior Au Contraire Design (Reg. No. 4,757,065);

1 and (3) Defendants' "final" Au Contraire Design Mark (with modified mouse) as actually used  
 2 in commerce.



9 **Fig. 1.** Teeter-Totter Design / Registered Au Contraire Design / Actual Au Contraire Design

10 Defendants subsequently began marketing wine under the AU CONTRAIRE brand. In its  
 11 trademark application, Defendant Palm Wine Holdings, LLC claimed first use of the earlier Au  
 12 Contraire design (which was never actually used in commerce) as of April 24, 2014. Palm Wine  
 13 Holdings, LLC obtained federal Trademark Registration No. 4,757,065 for the unused design on  
 14 June 16, 2015.

15 Plaintiff alleges that the Au Contraire Design Mark is confusingly similar to the Teeter-  
 16 Totter Design Mark, that Defendants copied the Teeter-Totter Design Mark despite having  
 17 knowledge of Plaintiff's trademarks and copyright, and intentionally misled the U.S. Patent and  
 18 Trademark Office ("USPTO") in order to obtain Registration No. 4,757,065.

19 **Defendants' Statement.** Plaintiff commenced this action in November, 2017, with no  
 20 prior notice to Defendants, by filing a twelve-count Complaint for trademark infringement,  
 21 copyright infringement and related claims under federal and state law. The crux of Plaintiff's  
 22 Complaint, as amended, alleges that artwork on the label of Defendants' AU CONTRAIRE  
 23 brand wine product infringes upon intellectual property rights in artwork on the label of  
 24 Plaintiff's TEETER-TOTTER brand wine. To succeed on its federal Lanham Act claims,  
 25 Plaintiff must establish that it has priority of enforceable trademark rights as against Defendants,  
 26 likelihood of confusion under the governing *Sleekcraft* factors and damages. Defendants  
 27 vigorously contest these elements and maintain that they have meritorious defenses to all of  
 28 Plaintiff's claims as a matter of law.

1           In 2013, Defendant Palm Bay, a leading wine importer, decided to enter the California  
 2 wine market through a newly formed entity, Heritance Vintners, LLC, and using the designation  
 3 “Taub Family Vineyards” for marketing purposes. Heritance Vineyards formed key relationships  
 4 necessary to establish the new California wine business, including retaining a renowned  
 5 winemaker to oversee wine production and supply; retaining a prominent vineyard to produce  
 6 wine; and retaining a prominent graphic designer to create wine labels.

7           The brand AU CONTRAIRE was conceived by Palm Bay for the first of the new  
 8 California product lines as an homage to David Taub, Palm Bay’s founder and former longtime  
 9 president, who often used the phrase for insights that were contrary to conventional wisdom.  
 10 When Palm Bay’s President, Marc Taub, met with a graphic designer, Lisa Hobro, on September  
 11 23, 2013 to discuss label concepts and names, Mr. Taub indicated that “AU CONTRAIRE”  
 12 would be the name of one of the new California wines. On November 18, 2013, Defendant,  
 13 Palm Wine, a related entity to Palm Bay, filed U.S. Trademark Application Serial No.  
 14 86/122,006 for the mark AU CONTRAIRE for use in connection with wines on an intent to use  
 15 basis, which later matured into U.S. Federal Trademark Reg. No. 4,689,725.

16           Beginning in the fall of 2013, Palm Bay, d/b/a as Heritance, proceeded to take all  
 17 necessary steps for the launch of AU CONTRAIRE brand wine, including arranging for  
 18 production of the wine, the creation of the wine label and securing all necessary permits and  
 19 regulatory approvals. Lisa Hobro began working with Palm Bay to create a new label design for  
 20 the AU CONTRAIRE product line. Ms. Hobro and her team worked for several months to create  
 21 original artwork for the new AU CONTRAIRE label, completely unaware of the existence of  
 22 artwork for the TEETER-TOTTER wine label. Palm Bay approved the label artwork on March  
 23 5, 2014, and that same day Ms. Hobro sent the label to a local printing company, Collotype  
 24 Labels. Within hours, Ms. Hobro received an email back from David Buse of Collotype,  
 25 attaching a copy of a work order that Collotype had done 6 months prior for Mr. Touquette’s  
 26 TEETER-TOTTER brand. Ms. Hobro immediately sent Mr. Buse’s email to Palm Bay.

27           On March 6, 2014, Palm Wine’s representatives conducted an investigation of the U.S  
 28 wine market and could not locate any sales of wine products featuring the TEETER-TOTTER

1 label depicted in the TTB COLA application filed by Hartwell Vineyards on October 30 2013.  
 2 Based upon this investigation, Palm Bay concluded that TEETER-TOTTER wines were not on  
 3 sale in the U.S. market and it made the business decision, in good faith, to move forward with its  
 4 AU CONTRAIRE brand using the label that Ms. Hobro had sent to Collotype, with additional  
 5 slight modifications. That same day, on March 6, 2014, Palm Wine filed U.S. Trademark  
 6 Application Serial No. 86/213,197 for the AU CONTRAIRE Logo Design mark, which later  
 7 matured into U.S. Federal Trademark Reg. No. 4,757,065.

8 Palm Bay, acting though Heritance Vintners, commenced sales of AU CONTRAIRE  
 9 wines in the United States on April 24, 2014.

10 The similarity of the marks is in dispute. First, while Plaintiff has asserted its federally-  
 11 registered TEETER-TOTTER word mark to support its claims of trademark infringement and  
 12 unfair competition, there can be no serious question of infringement between this word mark and  
 13 Palm Wine's AU CONTRAIRE Logo Design mark. Defendants expect to file a summary  
 14 judgment motion seeking dismissal as a matter of law for any claim related to infringement of  
 15 Plaintiff's TEETER-TOTTER word mark.

16 With respect to a comparison of the TEETER-TOTTER Logo Design mark and Palm  
 17 Wine's AU CONTRAIRE Logo Design mark, a detailed description of the differences in the two  
 18 designs is set forth below, and these differences are relevant to both Plaintiff's trademark and  
 19 copyright claims. With respect to the issue of substantial similarity, a comparison of the two  
 20 works makes clear that there is no substantial similarity of protectable expression, foreclosing a  
 21 finding of copyright infringement under the Ninth Circuit's extrinsic/intrinsic test. Plaintiff's  
 22 copyright in its design does not protect against others reproducing the *idea* of depicting a see-  
 23 saw with an elephant elevated on one side and a mouse on the ground on the other side (an idea  
 24 that has been expressed by others well before the creation of the parties' wine labels), but rather  
 25 only the original expression of that idea as embodied in its drawing. Comparing the *expressions*  
 26 of this idea as depicted in the two drawings, there is no substantial similarity between their  
 27 *expressive elements*. Obvious differences in expression include (but not limited to):

- 1     • The mouse in Palm Bay's drawing is much smaller than the mouse in Teeter-Totter's  
drawing.
- 2     • The size of the mouse is larger in proportion to the size of the elephant in the Teeter-  
Totter drawing than the Palm Bay drawing, in which the elephant is significantly larger  
than the mouse.
- 3     • The mouse appears to be standing upright in the Teeter-Totter drawing, but not in the  
Palm drawing.
- 4     • The mouse in the Teeter-Totter drawing has a pointy nose and rounded ear; the mouse in  
the Palm drawing does not.
- 5     • The elephant in Palm's drawing is broader than the mouse in Teeter-Totter's drawing  
(approx. double the width).
- 6     • The curve of the elephant's trunk in each drawing is different (more "J"-shaped in the  
Palm Bay drawing; more "U"-shaped in the Teeter-Totter drawing).
- 7     • The mouse's tail in the Teeter-Totter drawing is "S"-shaped and pointing up and back;  
the mouse's tail in the Palm Bay drawing is "e"-shaped/curlicue, pointing in.
- 8     • The elephant in Palm's drawing shows four well-defined legs, a well-defined ear, and  
two tusks; the elephant in Teeter-Totter's drawing shows two "basic" legs, only a white  
line indicating an ear, and no tusk.
- 9     • The mouse and elephant (particularly the elephant) in Palm Bay's drawing are 3-  
dimensional life-like renderings with well-defined shading; the mouse and elephant in  
Teeter-Totter's drawing are 2-dimensional, cartoon-like pencil renderings
- 10     • The see-saw base in Teeter-Totter's drawing is a rock-like shape with a straight line  
underneath; the see-saw base in Palm Bay's drawing is a three-dimensional polygon  
shape (a box with a triangular top).
- 11     • The main see-saw board in Palm Bay's drawing is a three-dimensional rectangular shape;  
the main see-saw board in Teeter-Totter's drawing is simply a straight line.
- 12     • Shading appears beneath the see-saw in Palm Bay's drawing, but not Teeter-Totter's  
drawing.

18                 The proximity of the parties' goods and sales and marketing channels are also in dispute.

19                 There are vast differences between the types of wine marketed under the parties' TEETER-  
20                 TOTTER and AU CONTRAIRE brand names in terms of, *inter alia*, distribution channels, price,  
21                 varietal and consumer appeal. AU CONTRAIRE brands are produced in Sonoma, California and  
22                 are sold at popular price points. The [www.wine-searcher.com](http://www.wine-searcher.com) site lists AU CONTRAIRE Pinot  
23                 Noir at \$ 9.99/bottle and Chardonnay for \$15/bottle. In sharp contrast, TEETER-TOTTER  
24                 wines, produced in Napa, are expensive wines sold to sophisticated wine purchasers mostly  
25                 through Mr. Touquette's private mailing list. Mr. Touquette has an MSRP for his Napa Valley  
26                 Cabernet Sauvignon at \$ 65/bottle, although the product is available on [www.wine-searcher.com](http://www.wine-searcher.com)  
27                 for \$55/bottle. Plaintiff's TEETER-TOTTER wines are available at a small number of wine  
28                 shops in Napa Valley and elsewhere, and the shops typically are for wine collectors and/or carry

1 only expensive wines and do not sell the AU CONTRAIRE brand. Several of the shops in  
 2 question limit customers to “by appointment only,” confirming that they cater to highly  
 3 sophisticated wine consumers.

4 The parties are unaware of a single instance of actual consumer confusion between the  
 5 parties’ branded products despite the fact that the parties’ wine products have allegedly co-  
 6 existed in the marketplace for the past five years. Moreover, the U.S. Patent and Trademark  
 7 Office found no confusion between the parties’ logo design marks when it approved Plaintiff’s  
 8 U.S. Trademark Application for the Mouse and Elephant Design Mark despite the existence of  
 9 Palm Wine’s Trademark Registration for the AU CONTRAIRE Design Mark on the Trademark  
 10 Registry.

11 Aside from the issue of likelihood of confusion, Defendants also maintain that Plaintiff  
 12 cannot establish the essential element of priority of superior and enforceable trademark rights as  
 13 against Defendants with respect to the Mouse and Elephant Design Mark to support Plaintiff’s  
 14 claims for federal trademark infringement and unfair competition. Palm Wine asserted  
 15 Counterclaims against Plaintiff seeking both a Declaration of Non-Infringement related to the  
 16 issue of priority of trademark rights as between the parties and Cancellation of Plaintiff’s  
 17 Trademark Registrations and Applications. The Court granted Plaintiff’s motion to dismiss these  
 18 Counterclaims without prejudice and with leave to re-file on September 25, 2018. On October 9,  
 19 2018, Palm Wine filed a Second Amended Counterclaim seeking a declaration of non-  
 20 infringement based on Plaintiff’s inability to establish that it has prior and superior enforceable  
 21 trademark rights in the Mouse and Elephant Design Mark depicted in U.S. Federal Trademark  
 22 Reg. No. 5,428,362 in interstate commerce as against Palm Wine’s AU CONTRAIRE Design  
 23 Mark as depicted in U.S. Federal Trademark Reg. No. 4,757,065.

24 Assuming, *arguendo*, that Plaintiff ultimately can establish liability for any of its claims  
 25 at trial, Plaintiff’s potential monetary recovery is limited due to a number of factors.

26 First, Plaintiff cannot prove willful trademark infringement because there was no  
 27 deliberate intent to deceive consumers on Defendants’ part. Palm Bay discovered the existence  
 28 of Plaintiff’s label design after the label for AU CONTRAIRE was already conceived. Palm Bay

1 conducted an investigation of the marketplace and concluded that Plaintiff's TEEETER-TOTTER  
 2 product was not on sale, so it made the business decision to move forward with sales of AU  
 3 CONTRAIRE wine on this good faith basis. There certainly is no suggestion that Palm Bay was  
 4 seeking to trade on the purported rights of Plaintiff at the time it introduced AU CONTRAIRE in  
 5 the market, nor can there be such a claim now, since Plaintiff's wine product is virtually non-  
 6 existent in the California wine marketplace.

7 Second, the doctrine of apportionment will substantially limit any damage award because  
 8 Plaintiff's sole claim of confusion relates only to artwork on the wine labels. Defendants intend  
 9 to introduce fact and expert witness testimony that consumers purchase wine because of many  
 10 factors other than the picture or drawing on the label, including price, varietal and brand name.  
 11 The brands here, TEEETER-TOTTER and AU CONTRAIRE, are not at issue in this case. Hence,  
 12 any measure of damages, whether based on Defendants' profits or plaintiff's claim of damages,  
 13 would have to be reduced substantially under the doctrine of apportionment because of the  
 14 limited nature of the IP rights subject to the claim of confusion.

15 Third, Mr. Touquette conceded at his deposition that he has no evidence of losing a  
 16 single sale of TEEETER-TOTTER brand wines because of the existence of AU CONTRAIRE in  
 17 the market. Nor could he, because TEEETER-TOTTER has a production capacity of 3,500 cases  
 18 of wine per year due to supply limitations, and Plaintiff sells out its production run each year.  
 19 Hence, Plaintiff cannot make a claim for actual damages or lost profits under any trademark-  
 20 based claim.

21 Finally, Plaintiff's damages claims will be limited for the copyright claims because  
 22 Plaintiff cannot seek statutory damages or attorney's fees under the Copyright Act since the  
 23 claimed acts of infringement occurred many years before Plaintiff registered the copyright in the  
 24 label artwork.

25 **Legal Issues**

26 1) Whether the production, marketing, and sale of Defendants' AU CONTRAIRE  
 27 brand wine constitutes either direct or secondary (contributory or vicarious) trademark  
 28 infringement;

1           2)    Whether Defendants' adoption of the Au Contraire Design Mark was with  
 2 knowledge of Plaintiff's Teeter-Totter Design Mark, and whether Defendants committed willful  
 3 infringement;

4           3)    Whether Plaintiff has suffered, or will suffer, damages or loss of goodwill as a  
 5 result of Defendants' production, marketing, and sale of Defendants' AU CONTRAIRE brand  
 6 wine;

7           4)    Whether Plaintiff is entitled to any monetary damages or injunctive relief with  
 8 respect to Defendants' production, marketing, and sale of Defendants' AU CONTRAIRE brand  
 9 wine;

10          5)    Whether the production, marketing, and sale of Defendants' AU CONTRAIRE  
 11 brand wine constitutes federal unfair competition under 15 U.S.C. § 1125(a);

12          6)    Whether Defendants' use of the Au Contraire Design Mark constitutes either  
 13 direct or secondary (contributory or vicarious) copyright infringement;

14          7)    Whether the production, marketing and sale of Defendants' AU CONTRAIRE  
 15 brand wine violates California Business & Professions Code § 17200, *et seq.*;

16          8)    Whether Palm Wine Holdings' federal Trademark Registration No. 4,757,065 is  
 17 void and should be canceled;

18          9)    Whether Palm Wine Holdings committed fraud or inequitable conduct before the  
 19 USPTO in applying for federal Trademark Registration No. 4,757,065;

20          10)   Whether there is a likelihood of confusion among consumers over the parties'  
 21 trademarks; and

22          11)   Whether Plaintiff has prior and superior enforceable trademark rights as against  
 23 Defendants.

24          12)   Whether Plaintiff has valid ownership of U.S. Copyright Registration No. VA-  
 25 00020906166.

26          Motions

27          On April 25, 2018, Plaintiff filed a Motion to Dismiss Defendants' Amended  
 28 Counterclaims, which was granted by Order dated September 25, 2018. There are no currently

1 pending motions on file. However, Plaintiff may move for leave to amend its complaint, as set  
 2 forth below. Defendant will oppose any such motion. Plaintiff may also move for summary  
 3 judgment and/or summary adjudication of issues. Defendant may also move for summary  
 4 judgment on a partial or case-dispositive basis. As set forth below (“Discovery”), a discovery  
 5 dispute over Defendants’ claim of attorney-client privilege may precipitate a motion to compel.

6 **Amendment of Pleadings**

7 On July 13, 2018, Plaintiff filed a Consent Motion for leave to file an Amended  
 8 Complaint (Doc. No. 46) to include, inter alia, its issued copyright registration, which was  
 9 granted on July 17, 2018 (Doc No. 47). The Court entered Plaintiff’s Amended Complaint on the  
 10 docket on July 18, 2018 (Doc. No. 48) and on the same date Plaintiff filed its accompanying  
 11 Exhibits (Doc. No. 49).

12 On October 9, 2018, Defendant Palm Wine filed a Second Amended Counterclaim with  
 13 leave of Court, consistent with the Court’s September 25, 2018 Order on the Plaintiff’s Motion  
 14 to Dismiss.

15 Based on newly discovered facts, Plaintiff may seek leave to amend its Complaint to add  
 16 additional parties, including Heritance Vintners, LLC and Popcorn Design, LLC. Plaintiff would  
 17 not add any additional causes of action. Defendants do not consent to a schedule that will allow  
 18 amending the pleadings through the discovery period and beyond. Defendants will oppose any  
 19 further amendment to the pleadings as Defendants maintain that complete relief can be afforded  
 20 to Plaintiff based on the parties in suit.

21 **Evidence Preservation**

22 Each of the parties has reviewed the Guidelines Relating to the Discovery of  
 23 Electronically Stored Information and have met and conferred pursuant to Fed. R. Civ. P. 26(f)  
 24 regarding reasonable and proportionate steps to preserve evidence relevant to the issues  
 25 reasonably evident in this action.

26 **Disclosures**

27 The parties have exchanged their Initial Disclosures in compliance with Federal Rule of  
 28 Civil Procedure 26 on or before March 21, 2018. Plaintiff served Amended Disclosures on June

1 29, 2018.

2 **Discovery**

3 Both sides have propounded written discovery requests on other parties and deposition  
 4 subpoenas on non-parties in this action related to Plaintiff's claims for trademark and trade name  
 5 infringement, copyright infringement, unfair competition and unfair business practices, violation  
 6 of California Business & Professions Code, trademark cancellation, and inequitable conduct  
 7 before the USPTO and defendant Palm Wine Holding's counterclaim, to which responses and  
 8 objections were served. The parties are engaged in a rolling document production. Plaintiff and  
 9 its contracted bookkeeper have produced over 3,500 documents, while Defendants have  
 10 produced over 1,500 documents and Defendants' third party contractors have produced more  
 11 than 4,000 documents. Plaintiff has initiated, but not yet completed, the depositions of (1)  
 12 Defendants' label designer Lisa Hobro, and (2) Defendants' winemaking consultant, Tom Hinde,  
 13 principal of Popcorn Design, LLC dba Prospect Brands. Defendants have taken the depositions  
 14 of (1) Plaintiff's principal, Benoit Touquette, as well as non-party witnesses (2) Boris Guillome  
 15 and (3) Shauna Mackenzie, and further testimony from these witness would only be anticipated  
 16 based on additional documents produced by Plaintiff and/or third-party witnesses. The parties are  
 17 cooperating in the further coordination of witness schedules and continue to conduct depositions  
 18 of both party and non-party witnesses, with parts 2 of Mr. Hinde's and Ms. Hobro's depositions  
 19 to be scheduled on mutually acceptable dates prior to the close of discovery, and the depositions  
 20 of Palm Bay personnel, including Marcy Whitman and Marc Taub, tentatively set to take place  
 21 in Port Washington, NY during the final week of February 2019. During Mr. Hinde's deposition  
 22 (and as confirmed in Ms. Hobro's deposition), new facts came to light. Based on those facts,  
 23 Plaintiff will seek to depose Jay Behmke, who was a member and manager of Popcorn Design,  
 24 LLC in 2014, and Julie Schreiber, who was a consulting winemaker for Popcorn Design, LLC in  
 25 2014. On January 29, 2019, Defendant caused to be served eight (8) third-party document and  
 26 deposition subpoenas from various sources.

27 Plaintiff's Position: While discovery is proceeding effectively, newly discovered facts  
 28 may necessitate additional discovery and amendment of Plaintiff's Complaint, and an

1 appropriate further extension to the fact discovery cutoff, currently set for March 7, 2019.

2 Defendant's Position: At this juncture, Defendant does not anticipate needing to adjust  
3 the Court's current schedule.

4 **Discovery dispute**

5 Plaintiff's Position: The parties are engaged in a dispute regarding Defendants' claim of  
6 attorney-client privilege to a document Bates-marked PALM\_000030. Defendants produced the  
7 document in unredacted form and subsequently claimed it was inadvertently produced. A  
8 substitute redacted version of the document was provided to Plaintiff. The document consists of  
9 Plaintiff's Teeter-Totter label proof bearing Taub's hand-drawn "curlie" tail on Plaintiff's  
10 mouse image. Defendants contend that they have redacted notes made by Defendant Palm Bay's  
11 Marketing Director, Marcy Whitman, in a meeting with Palm Bay's then-general counsel,  
12 Michael O'Brien, which constitute or reflect his legal advice. The parties have agreed to defer  
13 Plaintiff's challenge until the completion of further discovery, including the depositions of Palm  
14 Bay personnel and Mr. O' Brien (who is no longer with Palm Bay). Defendants have not yet  
15 produced a privilege log.

16 Defendant's Position: Defendants maintain that there is no dispute because this was a  
17 classic case of inadvertent production and the handwritten notes on the document in question are  
18 clearly covered by the attorney-client privilege.

19 The underlying document in question was the printing label that David Buse of Collotype  
20 Labels sent to Lisa Hobro by email on March 5, 2014. Lisa Hobro then emailed the document to  
21 her contact at Palm Bay, Marcy Whitman, Senior Vice President of Marketing for Palm Bay, on  
22 March 6, 2014. Upon receipt of the email from Ms. Hobro, Ms. Whitman shared the email and  
23 document with Palm Bay's General Counsel, Michael O'Brien, that same day. Ms. Whitman and  
24 Attorney O'Brien promptly had a meeting for the purpose of discussing the legal ramifications  
25 of the discovery of the Teeter-Totter brand depicted in the Collotype Labels document. The  
26 handwritten notes appearing on Palm\_00030 are Ms. Whitman's handwritten notes made  
27 during her meeting with Attorney O'Brien and reflect Mr. O'Brien's legal advice. The document  
28 bearing Ms. Whitman's handwritten notes was kept in Palm Bay's files at all relevant times and

1 not shared with anyone outside of the company. The document was inadvertently produced to  
2 Plaintiff during discovery because Defendants' counsel failed to appreciate at the time of the  
3 review that the notes were Ms. Whitman's and that they reflected legal advice provided by Palm  
4 Bay's counsel. After viewing the document following its reference in the lawsuit, counsel  
5 promptly inquired of Palm Bay about the source of the handwritten notes, and Palm Bay  
6 confirmed that they were Ms. Whitman's handwritten notes and reflect her conversation with  
7 Attorney O'Brien. As such, this is a straightforward case of inadvertent disclosure in accordance  
8 with Fed. R. Evid. 502, paragraph 11 of the parties' April 12, 2018 Stipulated Protective Order,  
9 Federal common law and the laws of the States of California and New York governing  
10 inadvertent disclosure.

11 **Discovery Topics.** The parties have propounded discovery relevant to the claims and  
12 defenses presented in this action, including (without limitation) the following: the parties'  
13 conception, adoption, design and use of their respective marks; the parties' labeling of the wines  
14 bearing their respective marks; the labeling by authorized third parties of wines bearing the  
15 parties' marks; the parties' advertising and marketing in connection with their respective marks;  
16 the channels and extent of distribution of the wines bearing the parties' respective marks; the  
17 types of consumers that purchase the wines bearing the parties' respective marks and to whom  
18 the parties direct their respective advertising and marketing; other relevant likelihood-of-  
19 confusion factors; relevant sales information and financial data; identities of persons in the  
20 parties' respective businesses; trademark searches or other inquiries performed by or on behalf of  
21 the parties; each party's first awareness of the other parties' respective mark(s); any instances or  
22 evidence of confusion; the business relationships between each party and the third parties  
23 involved in marketing, distribution and sale of their products, including the parties' authority and  
24 control over, legal and financial relationships with, such third parties; relevant communications  
25 with, of and between the parties and third parties; relevant communications with customers and  
26 prospective customers; and the relationship between Plaintiff, Benoit Touquette and Boris  
27 Guillome.

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1                   **Discovery Limitations.**

2                   The parties have agreed upon the following limitations, subject to modification by  
 3 stipulation: *Depositions*: 10 seven-hour depositions per side./ *Interrogatories*: 25 per side./  
 4 *Request for Admissions*: no limit, but reasonably tailored and proportionate to the issues relevant  
 5 to this lawsuit; and *Document Requests*: no limit, but reasonably tailored and proportionate to the  
 6 issues relevant to this lawsuit.

7                   The parties have negotiated a Protective Order to protect the confidentiality of certain  
 8 documents and information. Privileged information that is inadvertently produced shall not be  
 9 deemed a waiver of the attorney-client privilege, attorney work product protection, or any other  
 10 recognized privilege or protection with respect to that information, and documents containing  
 11 such information shall be returned immediately to the producing party in accordance with the  
 12 Protective Order that shall be entered in this case.

13                   **Class Actions.**

14                   Not applicable.

15                   **Related Cases.**

16                   There are no related cases.

17                   **Relief.**

18                   Plaintiff seeks, among other relief requested in its Complaint, an injunction, damages,  
 19 that damages be trebled, punitive damages, attorneys' fees, and cancellation of federal  
 20 Trademark Registration No. 4,757,065. Plaintiff anticipates that damages may be calculated  
 21 based on Defendants' profits.

22                   Defendants and Counterclaimant seek a dismissal of Plaintiff's complaint and an award  
 23 of their costs and attorney's fees.

24                   **Settlement and ADR.**

25                   The parties have engaged in brief settlement discussions. The parties have filed their  
 26 ADR certifications pursuant to ADR L.R. 3-5(b). The parties have taken part in Court-supervised  
 27 Mediation before Mediator Ian Feinberg on October 29, 2018. Plaintiff prepared and transmitted  
 28 a settlement proposal to Defendants on July 31, 2018. At Mr. Feinberg's request, Plaintiff

1 prepared a draft Settlement Agreement for further negotiation by the parties at the scheduled  
2 mediation session. The parties submitted their respective mediation statements to Mr. Feinberg  
3 on September 21, 2018. Mediation took place and settlement was not reached. Plaintiff believes  
4 that a settlement conference with a judge may be beneficial since mediation was not productive.  
5 Defendant maintains that a further settlement conference would not be productive at this time  
6 because the parties remain too far apart in settlement demands.

7 **Consent to Magistrate Judge for All Purposes.**

8 The parties have not consented to have a magistrate judge conduct all proceedings in this  
9 case. Plaintiff filed its Consent or Declination to Magistrate Judge Jurisdiction, declining  
10 jurisdiction, on November 20, 2017 (ECF Doc. No. 3).

11 **Other References.**

12 The parties do not believe that the case is suitable for reference to binding arbitration, a  
13 special master, or the Judicial Panel on Multidistrict Litigation.

14 **Narrowing of Issues.**

15 The parties are open to the possibility of narrowing the issues.

16 **Expedited Schedule.**

17 Plaintiff raised the possibility of an expedited schedule with the Defendants. However,  
18 Defendants do not agree to an expedited schedule.

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## Scheduling.

Scheduled Event	Date
Further Case Management Conference	February 6, 2019, at 2:00 p.m.
Close of Fact Discovery	March 7, 2019
Opening Expert Reports	April 4, 2019
Rebuttal Expert Reports	May 2, 2019
Close of Expert Discovery	May 30, 2019
Last Day - Motion for Class Certification	June 20, 2019
Hearing on Dispositive Motions	August 15, 2019, 1:30 p.m.
Final Pretrial Conference	October 24, 2019, 1:30 p.m.
Jury Trial	November 12, 2019, 9:00 a.m.
Length of Trial	5 days

## Trial.

Plaintiff has requested that the matter be tried to a jury and the parties estimate the length of trial to be 5 days.

## **Disclosure of Non-Party Interested Entities or Persons.**

All parties have filed the “Certification of Interested Entities or Persons” as required by Civil Local Rule 3-16, identifying the following interested entities or persons:

Plaintiff: None.

Defendants: E & J Gallo Winery owns defendant J. Vineyards & Winery, LLC.

## Professional Conduct.

All attorneys of record for the parties have reviewed the Guidelines for Professional Conduct for the Northern District of California.

## Other Matters.

None.

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2 Respectfully submitted,  
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5 Dated: January 30, 2019  
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DICKENSON, PEATMAN & FOGARTY

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9  
10 By /s/ Christopher J. Passarelli  
11 Christopher J. Passarelli  
12 Joy L. Durand  
13  
14

15 Attorneys for Plaintiff,  
16 Teeter-Totter, LLC  
17  
18

19 Dated: January 30, 2019  
20  
21

FERDINAND IP, LLC  
22  
23

24 By /s/ John F. Olsen  
25 John F. Olsen  
26 Edmund J. Ferdinand, III  
27  
28

29 Attorneys for Defendants,  
30 Palm Bay International, Inc.; Palm Wine Holdings,  
31 LLC; J Vineyards & Winery, LLC; RB Wine  
32 Associates, LLC  
33  
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